

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:272

ANSWERED ON:11.08.2005

MARKETING SHARE OF OIL PSUs

Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the oil PSUs have lost their market share upto 9.5 per cent in sale of petroleum products due to the entry of private companies ;

(b) if so, the reaction of the Government thereto ; and

(c) the strategy chalked out by the Government to increase the marketing share of oil PSUs ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 272 BY SHRI RAMJI LAL SUMAN AND SHRI RAJIV RANJAN SINGH "LALAN" TO BE ANSWERED ON 11TH AUGUST, 2005 REGARDING MARKETING SHARE OF OIL PSUs.

(a) & (b) : The Government have granted rights for marketing of transportation fuels to new companies including private oil companies in terms of the Government Resolution of the 8th March, 2002. This is to facilitate competition in the marketing of these products with a view to benefiting consumers. The authorized private oil companies have started commissioning retail outlets (ROs). Sales at these ROs are largely carved out of the sales of existing outlets of PSU oil marketing companies (OMCs). As per provisional figures, private oil companies have secured a 6.7% share in retail sales of petrol and diesel in the first quarter of 2005-06. (April to June 2005), the remaining 93.3% continuing with the public sector.

(c) : In view of evolving market conditions, OMCs keep their marketing strategy under continuous review. Steps taken or being taken by them include automation of ROs to enhance the perception of quality and quantity assurance among customers ; setting up low cost ROs in interior rural markets ; introduction of branded fuels and loyalty-based card programmes ; strengthening highway retail outlets with added fuel and non-fuel activities, etc.